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 American Network Insurance Company
 American Independent Network Insurance Company of New York

FACTS

We are the Long Term Care Insurance Superstore

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 - Home Care-Only Coverage
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 - Penn Treaty Internet Toolkit®
 - Penn Treaty Underwriting Wizard®
- NYSE listed: PTA

FAX

Date: 9/27/01 Number of Pages: 7

To: michael Callahan

Phone: _____

Fax: 425-871-0828

CC: _____

From: Jackie Frantz

Phone: 800-222-3419

Fax: (610) 9107-4100

CC: _____

Comments: _____



Urgent

For Your Review

Reply ASAP

Please Comment

For more information, contact us at:

3440 Lehigh Street, Allentown, PA 18103 • (800)362-0700 • (877)LTC-FAXX
info@penn treaty.com

Bagley, Jane
From: Bagley, Jane
Sent: Thursday, September 27, 2001 1:10 PM
To: 'CALLAHANKIDS@aol.com'
Subject: AllRisk

Dear Mike:

We have retained counsel in this matter and they will be contacting you on our behalf in the near future.

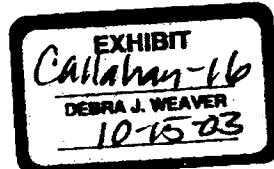
Jane Bagley

—Original Message—

From: CALLAHANKIDS@aol.com [SMTP:CALLAHANKIDS@aol.com]
Sent: Wednesday, September 26, 2001 12:07 PM
To: JBagley@penntrealty.com
Subject: (no subject)

Dear Jane,
I am hoping to get together with you via phone conf as soon as possible. Please let me know when you are available.

Michael Callahan



Confidential
PT 011759

Subj: RE: All Risk report
Date: 09/24/2001 12:32:54 PM Pacific Daylight Time
From: JFrantz@penntreaty.com (Frantz, Jackie)
To: CALLAHANKIDS@aol.com ('CALLAHANKIDS@aol.com')

I will try and generate a report that might help. I will be in touch.

Thanks,
Jackie

> -----Original Message-----
> From: CALLAHANKIDS@aol.com [SMTP:CALLAHANKIDS@aol.com]
> Sent: Friday, September 21, 2001 12:58 PM
> To: JFrantz@penntreaty.com
> Subject: Re: All Risk report
>
> Jackie,
> Thanks, I knew there had to be an easy explanation.
>
> On the renewals, what I am looking for is what and where the renewal
> numbers and income are reported (i.e. how many renewals for the week/month
> and how much income). As I understand it, the DDS report does not cover
> renewals as there is nothing sent from DDS when someone renews. If this
> is so then the only information should come from you and Herb and Neal
> tell me they don't get anything in that regard (or perhaps don't recognize
> it if they do). Can you direct me to what is reported to them re:
> renewals? Thanks again.
>
> Michael Callahan
>
>
>

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Headers

Return-Path: <JFrantz@penntreaty.com>
Received: from rly-yg05.mx.aol.com (rly-yg05.mail.aol.com [172.18.147.5]) by air-yg01.mail.aol.com (v80.17)
ESMTP id MAILINYG16-0924153254; Mon, 24 Sep 2001 15:32:54 -0400
Received: from pamail01.penntreaty.net (pamail01.penntreaty.net [12.27.76.115]) by rly-yg05.mx.aol.com
(v80.21) with ESMTP id MAILRELAYINYG53-0924153233; Mon, 24 Sep 2001 15:32:33 -0400
Received: by PAMAIL01 with Internet Mail Service (5.5.2653.19)
id <SWYZKK7G>; Mon, 24 Sep 2001 15:32:20 -0400
Message-ID: <B549604A028AD51196E000A0C9D1777229B293@PAMAIL01>
From: "Frantz, Jackie" <JFrantz@penntreaty.com>
To: "CALLAHANKIDS@aol.com" <CALLAHANKIDS@aol.com>
Subject: RE: All Risk report

ar Jackie,

If you are attempting to generate a report that I can understand please add the following to the mix. I just got a copy of the report titled "All Risk Plan/August 2001" that was mailed to Herb in Palm Springs and forwarded to him in Wash. Under the heading "Fees Collected" there are two entries: "1st YEAR" and "RENEWAL". This is all well and good and the calculations appear to be correct. The problem is that the "Renewal" business entry has never appeared on any earlier reports as far as I can tell (I don't have June or July yet). Neal seems confident that August is not the first month of renewal business and I would have to agree. What has happened to the renewal business in the past? Can you find this out and let me know?

Regards,

Michael Callahan

Subj: RE: All Risk report
Date: 09/21/2001 9:46:23 AM Pacific Daylight Time
From: JFrantz@penn treaty.com (Frantz, Jackie)
To: CALLAHANKIDS@aol.com ('CALLAHANKIDS@aol.com')

Mike,

The information you are looking at from DDS is for the week of 9/11/01 to 9/17/01. The production report we are sending was for the week of 9/7/01 to 9/13/01. We are never on the same weeks. That is what I tried explaining to Neal and Herb.

Also, what are you looking for from the renewal end?

If I can be of further assistance, please let me know.

Thank you.

Jackie

> —Original Message—

> From: CALLAHANKIDS@aol.com [SMTP:CALLAHANKIDS@aol.com]
> Sent: Friday, September 21, 2001 12:39 PM
> To: JFrantz@penn treaty.com
> Subject: Re: All Risk report
>
> Jackie,
> Below is a copy of a report from DDS for the same period – it shows 6 new
> apps when you show only 2. There is no information on this report
> regarding renewals. This seems to be the "norm" and I can't seem to
> figure out why the two reports (the one from you and the one from DDS)
> never reconcile. I am guessing that I am just missing something. Can
> you tell me what it is?
>
> Regards,
>
> Michael Callahan
>
> From: "DDS Dataprocessing" <DATA@BestBenefits.com>
> To: <m.hauert@att.net>; <jfrantz@penn treaty.com>; <DATA@BestBenefits.com>
> Sent: Tuesday, September 18, 2001 4:46 PM
> Subject: Data Processing Confirmation
>
>
>> mailto:jfrantz@penn treaty.com
>>
>>
>> msg file: \dds\msg\860001.261 DI
> REV. 10.25
>>
>> MEMBER UPDATE RECORD
>>
>> System Updated : 09/18/2001 09:23
>> Data Template : ARHC 860000/860001
>> Source File : ARH0918.TXT
>>
>>

GROUP	TOTAL	NEW	EXPIRED	REINSTATED	MOVED	UPDATED
> NO						
> CHANGE						
>>						
>						
> -----						
>> 860001	4	1	0	0		
> 0 0						
> 3						
>> 860002	2	0	0	0		
> 0 1						
> 1						
>> 860004	1	0	0	0		
> 0 0						
> 1						
>> 860005	5	5	0	0		
> 0 0						
> 0						
>> Total Records Processed:	12					
>>						
>>						
>> Records Queued to Print (Full Kit): 6						
>>						
>>						
>> SOURCE FILE DATA						
>>						
>> VALID RECORDS	12					
>>						
>> SOURCE						
>						
>						
>						
>						

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Headers -----

Return-Path: <JFrantz@penntreaty.com>
Received: from rly-yg03.mx.aol.com (rly-yg03.mail.aol.com [172.18.147.3]) by air-yg04.mail.aol.com (v80.17)
ESMTP id MAILINYG49-0921124622; Fri, 21 Sep 2001 12:46:22 -0400
Received: from pamail01.penntreaty.net (pamail01.penntreaty.net [12.27.76.115]) by rly-yg03.mx.aol.com
(v80.21) with ESMTP id MAILRELAYINYG310-0921124601; Fri, 21 Sep 2001 12:46:01 -0400
Received: by PAMAIL01 with Internet Mail Service (5.5.2653.19)
id <SWYZKJL7>; Fri, 21 Sep 2001 12:45:49 -0400
Message-ID: <B549604A028AD51196E000A0C9D1777229B281@PAMAIL01>
From: "Frantz, Jackie" <JFrantz@penntreaty.com>
To: ""CALLAHANKIDS@aol.com" <CALLAHANKIDS@aol.com>
Subject: RE: All Risk report

Date: Fri, 21 Sep 2001 12:45:48 -0400
MIME-Version: 1.0
X-Mailer: Internet Mail Service (5.5.2653.19)
Content-Type: text/plain

Friday, September 21, 2001 America Online: CALLAHANKIDS

Subj: RE: All Risk report
 Date: 09/20/2001 1:47:14 PM Pacific Daylight Time
 From: JFrantz@penn treaty.com (Frantz, Jackie)
 To: CALLAHANKIDS@aol.com (CALLAHANKIDS@aol.com)
 CC: Jbagley@penn treaty.com (Bagley, Jane)

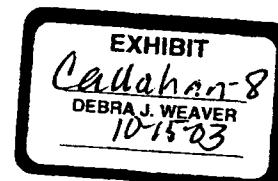
> -----Original Message-----

> From: Hodge, Jill
 > Sent: Thursday, September 20, 2001 10:09 AM
 > To: Frantz, Jackie
 > Subject: FW: All Risk report
 >
 > Mr. Callahan:
 >
 > I asked Jill to forward your questions to me.
 >
 > This report is showing that we received 2 All Risk applications for the
 > week of 9/07/01 through 9/13/01.
 >
 > The YTD Policies represent any applications received from 01/01/01 to
 > 9/13/01. This report is a submitted business report, if anyone has
 > cancelled for any reason, they do not get deducted from these reports.
 >
 > If I can be of further assistance, please let me know.
 >
 > Thank you.
 >
 > Jackie Frantz
 >

> -----Original Message-----

> From: CALLAHANKIDS@aol.com [SMTP:CALLAHANKIDS@aol.com]
 > Sent: Wednesday, September 19, 2001 2:31 PM
 > To: Jhodge@penn treaty.com
 > Cc: Hesassoc@aol.com; nforman@nwlink.com
 > Subject: All Risk report
 >
 >

> We haven't met but I work with Herb and Neal on the All Risk project. I
 > have been trying to reconcile the reports that we receive from you. For
 > the last period you showed 2 policies. What is that -- 2 new policies, or
 > 2 policies whether new or renewal. Of the 390 policies for the year are
 > those new or new and renewals? Please shed some light on this for me.
 >
 > Regards,
 >
 > Michael Callahan
 >
 > cc: Herb Schwartz
 > Neal Forman
 >
 >
 >



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NHCS00624

Friday, September 21, 2001 America Online: CALLAHANKIDS

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Headers

Return-Path: <JFrantz@penntreaty.com>
Received: from rly-yg02.mx.aol.com (rly-yg02.mail.aol.com [172.18.147.2]) by air-yg05.mail.aol.com (v80.17)
ESMTP id MAILINYG56-0920164714; Thu, 20 Sep 2001 16:47:14 -0400
Received: from pamail01.penntreaty.net (pamail01.penntreaty.net [12.27.76.115]) by rly-yg02.mx.aol.com
(v80.21) with ESMTP id MAILRELAYINYG26-0920164641; Thu, 20 Sep 2001 16:46:41 -0400
Received: by PAMAIL01 with Internet Mail Service (5.5.2653.19)
id <SWYZK2T3>; Thu, 20 Sep 2001 16:46:28 -0400
Message-ID: <8549604A028AD51196E000A0C9D1777229B279@PAMAIL01>
From: "Frantz, Jackie" <JFrantz@penntreaty.com>
To: "CALLAHANKIDS@aol.com" <CALLAHANKIDS@aol.com>
Cc: "Bagley, Jane" <Jbagley@penntreaty.com>
Subject: RE: All Risk report
Date: Thu, 20 Sep 2001 16:46:25 -0400
MIME-Version: 1.0
X-Mailer: Internet Mail Service (5.5.2653.19)
Content-Type: text/plain

NHCS00625

Friday, September 21, 2001 America Online: CALLAHANKIDS

Fritzinger, Sharon

From: Levit-Sussman, Tracy
Sent: Thursday, August 23, 2001 4:57 PM
To: 'CALLAHANKIDS@aol.com'; nforman@nwlink.com; Hesassoc@aol.com
Cc: Brickhouse, Derrick; Bagley, Jane
Subject: RE: Revisions to All Risk Article

That works fine and I will make the change. Tracy

—Original Message—

From: CALLAHANKIDS@aol.com [SMTP:CALLAHANKIDS@aol.com]
Sent: Thursday, August 23, 2001 4:50 PM
To: tlevit-sussman@penntreaty.com; nforman@nwlink.com; Hesassoc@aol.com
Subject: Re: Revisions to All Risk Article

Tracy,
Though the program does not require a state license you are absolutely correct. How about changing the language to read "Another advantage of this program is that by being a PTNA representative and signing an AllRisk addendum it will allow you as an agent to earn additional income. The AllRisk program is already approved in 42 states!"

Neal

Confidential
PT 003193

[your agent..complaint](#)

Subject: RE: your agent..complaint

Date: Wed, 16 May 2001 17:20:56 -0400

From: "Brickhouse, Derrick" <DBrickhouse@penntreaty.net>

To: "Hesassoc@aol.com" <Hesassoc@aol.com>

CC: nforman@nwlink.com, CALLAHANKIDS@aol.com, "Bagley, Jane" <jbagley@penntreaty.com>, "Levit-Sussman, Tracy" <tlevit-sussman@penntreaty.com>, "Underhill, Jeff" <junderhill@penntreaty.com>

Herb:

Tracy and I did call you back immediately on Monday at the number you left for me. I realize today, from the message below, that you gave me your California number in your verbal message I received on Monday. Therefore that is where I have been attempting to contact you. I would like to resolve this communication issue so that we can move forward as partners in a positive way.

I will handle contacting Jeremy Gray to determine what has happened in this case below and let you know of the outcome. I will also follow up with Cam as to his response to your letter.

Furthermore, I would like to introduce our new Senior Vice President, Jeff Underhill, so that you have a contact at all times.

I cannot emphasize enough the urgency to resolve the communication issues you have with me as I think there is clearly a misunderstanding. Please let me know if you have time Friday for a quick conference call to review recent communication and introduce Jeff to you.

Regards,
Derrick

```
> -----Original Message-----
> From: Hesassoc@aol.com [SMTP:Hesassoc@aol.com]
> Sent: Tuesday, May 15, 2001 4:29 PM
> To: dbrickhouse@penntreaty.net
> Cc: nforman@nwlink.com; CALLAHANKIDS@aol.com; jbagley@penntreaty.com
> Subject: your agent..complaint
>
> Derrick; I responded to your fax, to me 5/14/01 re:complaint letter Paul
> and
> Doris Umphfres dated 4/27/01. Again no reponse from you to my phone call
> 5/14/01 to get further information about your agent Jeremy Gray. It
> appears
> your agent Mr.gray misinformed the umphfres of the prescription drug
> discount
> benefit of the All-Risk program. Either your agent intentioally misreped
> the
> product or Mr.gray was not properly informed or trained by whom ever
> contracted him to sell All-Risk. I have no idea what you wish me to do
> regarding this situation. Has a refund been made? Do you want us to
> contact
> the agent? Do you want us to contact the member? I will wait to hear from
> you
> if and when you return my call. 425. 455.4142 or Neal Forman
> 425 022 4252
```

>
>

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Subject: RE: communication???

Date: Mon, 7 May 2001 17:02:43 -0400

From: "Brickhouse, Derrick" <DBrickhouse@penntreaty.net>

To: "Hesassoc@aol.com" <Hesassoc@aol.com>

CC: "Bagley, Jane" <Jbagley@penntreaty.com>, nforman@nwlink.com, CALLAHANKIDS@aol.com,
"Waite, Cameron" <CWaite@penntreaty.com>, "Levit-Sussman, Tracy" <tlevit-sussman@penntreaty.com>

Herb,

I am writing in response to your letter stating that I am not communicating with you. Clearly I feel as if we have been very responsive to all of your requests and keeping you up to date on all the current events at Penn Treaty. I have had Tracy add you and Neal to the advance e-mail notification list early in the year so that you receive advance notice of all Marketing activities before the field force is mailed. In regards to recent events, before we left for the Atlantis Tracy e-mailed Neal Forman in regards to the status of selling AllRisk in the states we have voluntarily stopped selling our Long Term Care Insurance products. Tracy stated that Tennessee is the same status as Florida and Virginia in that we are continuing to market AllRisk in those states. I assumed that Neal would have shared this information with you. Furthermore, I am aware of your conversation with my Director of Sales, Matt Sussman, as to the status of AllRisk and our current financial/marketing status this past Friday.

In respect to the letter you sent to Cam Waite, he will be responding to your letter as it was written to him directly. Any letter or phone call you have directed towards me has been handled on a priority.

You also mentioned your concern with AllRisk not being a part of the Atlantis presentation. As you can understand, our presentation was geared towards the financial situation at the Company. Our agents only concern is their renewals, not products. If the agents are unsure of their status with renewals on the long term care insurance placed with our Company, why do you think they will want to write AllRisk? Understand that all of our business is down even as we have increased our marketing efforts in all areas due to agents being unsure of their renewals for all lines of business.

As you stated your concern for our Marketing efforts, I would love to hear your recent success stories as to how you have been marketing this product since the re-rollout in February. We both want this partnership to yield great results and must continue to work in a positive way together as all of our reputations are involved.

Please let me know if you have any additional concerns that you would like me to address. Otherwise I will look forward to hearing about your recent successes in Marketing AllRisk.

Regards,
Derrick

> -----Original Message-----

> From: Hesassoc@aol.com [SMTP:Hesassoc@aol.com]

> Sent: Monday, May 07, 2001 3:13 PM

> To: dbrickhouse@penntreaty.net

> Cc: jbagley@penntreaty.com; nforman@nwlink.com; CALLAHANKIDS@aol.com

> Subject: communication???

>

> Derrick; I still have not heard from you after numous calls and emails.

> 1

> also understand that ALL-RISK was not mentioned at the agent meetings in
> Atlantis, this surprised me, because All-Risk is still salable in the
> states
> which PTNA withdrew from. The product was supposed to be discussed at the
> convention for your producers, this is not making "every effort" to
> promote
> All-Risk. Derrick, I know PTNA has problems, and so do I! I must know
> what
> happening with All-Risk, and I must get some answers to my letters,
> emails,
> and phone calls!
> Herb Schwartz
>
>

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Michael Hauert

From: "Jim Bell" <JBell@BestBenefits.com>
To: <cm.hauert@worldnet.att.net>
Cc: "Deah Lewis" <dmlewis@BestBenefits.com>; "David Putman" <DPutman@BestBenefits.com>
Sent: Monday, March 26, 2001 11:45 AM
Subject: Re: Fw: Program Odds and Ends.

Mike:

Please have all future emails sent / CCD to:

DPutman@BestBenefits.com and - rc.
DLewis@BestBenefits.com

/Jim

Jim Bell
Account Executive
Best Benefits
(773) 867-4451 - voice
(773) 399-9022 - fax

All Right

>>> "Michael Hauert" <cm.hauert@worldnet.att.net> 03/26/01 09:32AM >>>

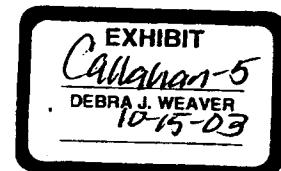
Jim,

Thought you would like to see the response to the email sent by WEB. In any event, it appears we have been given the green light to contact IT at Penn Treaty directly regarding the file issue. I would appreciate someone at your end contact them, probably you, to talk through the issue with them. Please advise Mike

..... Original Message

From: "Frantz, Jackie" <JFrantz@pennrtreaty.com>
To: <WEBIII@aol.com>; "Frantz, Jackie" <JFrantz@pennrtreaty.com>
Cc: <CALLAHANKIDS@aol.com>; <cm.hauert@att.net>; <Hesassoc@aol.com>;
<nforman@nwlink.com>; <jbell@bestbenefits.com>; <klannen@bestbenefits.com>
Sent: Monday, March 26, 2001 9:17 AM
Subject: RE: Program Odds and Ends

> Hi Web!
>
> Hope all is well.
>
> I will add Mike Callahan to our list of contacts
>
> As far as number two on your list, Tracy will be in contact with you
> regarding this item
>
> #3 . I am being told our IT is working directly with Kathy and Mike.
>
> #4. I have sent a copy of this to Derrick and we will be in touch with
> numbers.
>
> If I can be of further assistance, please let me know.
>
> Thanks.
> Jackie
>
> >Original Message.....
>> From: WEBIII@aol.com [SMTP:WEBIII@aol.com]
>> Sent: Friday, March 23, 2001 11:59 AM
>> To: jfrantz@pennrtreaty.com
>> Cc: CALLAHANKIDS@aol.com; m.hauert@att.net; Hesassoc@aol.com;
>> nforman@nwlink.com; jbell@bestbenefits.com; klannen@bestbenefits.com
>> Subject: Program Odds and Ends.
>>
>> Jackie.
>>



3/26/2001

Hauert 0027

>> Here are a few areas to clarify, please:

>>

>> 1. First of all, we have a new exec helping to manage our fulfillment

>> and

>> service job. His name is Mike Callahan (callanhankids@aol.com) and I

>> would

>> appreciate it if you would include him in your email traffic to Mike

>> Hauert

>> and me.

>>

>> 2. We are wondering if and when you want to mail new kits to old

500+/-

>> members? Our cost is \$2 each, about \$1,300 Let us know please

>>

>> 3. When will you begin using new member numbers signifying single

>> household

>> member and 2nd household member?

>>

>> 4. Finally, would you or Derrick give us your feeling of weekly new

>> member

>> ramp up rates over the next several weeks/months based on what you are

>> seeing

>> back at HQ? It would be welcomed by all who are standing by, to have

>> your

>> perspective on what's coming and when.

>>

>> Thanks Jackie Let us know what else we can do to assist

>>

>> Web

>>

>>

>>

>>

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> e-mail at ptta@penntreaty.com and delete the original message.

>

>

>

3/26/2001

Hauer 0028